

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF LOUISVILLE)	CASE NO. 8924-M
GAS AND ELECTRIC COMPANY)	

O R D E R

On June 25, 1984, the Commission issued its Order in Case No. 8924 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received. On January 7, 1985, the Commission issued its Order in Case No. 9133 providing for further adjustment of these rates on a quarterly basis in accordance with the provisions of the Gas Supply Cost Adjustment ("GSCA") clause set forth therein.

On January 7, 1987, Louisville Gas and Electric Company ("LG&E") filed its quarterly gas cost adjustment which is to become effective February 1, 1987, and is to remain in effect through April 30, 1987.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) LG&E's notice of January 7, 1987, set out certain revisions in rates which LG&E proposed to place into effect, said rates being designed to pass on the wholesale decrease in gas costs from its supplier in the amount of 1.151 cents per 100 cubic feet.

(2) LG&E's notice set out a total refund factor of 0.183 cents per 100 cubic feet, which includes a current quarter refund of \$133,111.

(3) LG&E proposed an actual adjustment of (.534) cents per 100 cubic feet, a decrease of .738 cents per 100 cubic feet.

(4) LG&E proposed a balance adjustment in the amount of .043 cents per 100 cubic feet; there was no previous quarter balance adjustment.

(5) LG&E proposed a total adjustment in the amount of (8.478) cents per 100 cubic feet, a decrease of 1.878 cents per 100 cubic feet. This decrease represents the combined effect of the supplier decrease, actual, balance and refund adjustments.

(6) The adjustment in rates set out in the Appendix to this Order, determined under the GSCA provisions approved by the Commission in Case No. 8924 dated June 25, 1984, and Case No. 9133 dated January 7, 1985, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after February 1, 1987.

(7) Within 15 days of the date of this Order LG&E should file with this Commission its transportation rates for this quarter effective February 1, 1987. In each future filing LG&E should also make this filing.

IT IS THEREFORE ORDERED that:

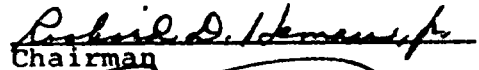
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after February 1, 1987.

(2) Within 30 days from the date of this Order LG&E shall file with this Commission its revised tariffs setting out the rates authorized herein.

(3) LG&E shall file its transportation rates effective February 1, 1987, within 15 days of the date of this Order, and shall file these rates after each future GSCA filing.

Done at Frankfort, Kentucky, this 23rd day of January, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 8924-M DATED 1/23/87

The following rates and charges are prescribed for the customers served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

Gas Supply Cost Adjustment:

The monthly amount computed at the charge specified in each of the rate schedules to which this Gas Supply Cost Adjustment is applicable shall be increased (or decreased) by the following charge:

(8.478¢) per 100 cubic feet of gas used during the period covered by the bill

The base rates for the future application of the gas supply cost adjustment clause of Louisville Gas and Electric Company shall be:

	<u>Monthly Demand Charge</u>	<u>Commodity Charge</u>
Texas Gas Transmission Corporation		
Rate G-4	\$4.89	234.17¢